

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 08759 201903Z

44

ACTION EB-07

INFO OCT-01 ARA-06 IO-10 ISO-00 SSO-00 NSCE-00 USIE-00

INRE-00 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 PRS-01

SP-02 OMB-01 FEA-01 OIC-02 AF-06 EA-07 EUR-12 NEA-10

/128 W

----- 096753

O R 201800Z NOV 75

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 6925

INFO AMEMBASSY BUENOS AIRES

LIMITED OFFICIAL USE GENEVA 8759

PASS STR

E.O. 11652: N/A

TAGS: GATT ETRD AR

SUBJECT: ARGENTINA BALKS AT GATT BOP PROCEDURES

REF: (A) STATE 268743 (B) GENEVA 8173 (C) STATE 213792

BEGIN SUMMARY. ARGENTINA HAS REFUSED TO SUBMIT TO FULL GATT
BALANCE OF PAYMENTS CONSULTATION AND HAS CHALLENGED RIGHT
OF COMMITTEE TO INVOKE FULL CONSULTATIONS AT REQUEST OF ONLY
ONE MEMBER. OTHER LDCS ON COMMITTEE HAVE SUPPORTED ARGENTINA'S
CHALLENGE TO PROCEDURES. AT US REQUEST, AND BECAUSE ARGENTINA
HAS SUBMITTED A NEW PAPER ON THEIR OWN BOP SITUATION, DECISION
ON WHETHER TO INVOKE FULL CONSULTATION FOR ARGENTINA
HAS BEEN POSTPONED UNTIL DECEMBER 5. INSTRUCTIONS WILL BE
REQUIRED FOR THAT MEETING. MATTER ALSO PERTINENT TO G-18.
END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 08759 201903Z

1. DURING NOVEMBER 18 "MINI-BOP" SESSION ARGENTINA CHALLENGED RIGHT OF GATT BOP COMMITTEE TO INVOKE FULL CONSULTATIONS FOR LESS DEVELOPED COUNTRIES. UPON BEING INFORMED THAT COMMITTEE HAD REQUESTED FULL CONSULTATION ON ARGENTINA FOR NEXT SPRING, ARGENTINE REP (AMBASSADOR MARTINEZ) DEMANDED TO KNOW WHICH MEMBERS OF COMMITTEE SOUGHT FULL CONSULTATION. MARTINEZ APPARENTLY HAD SUSPECTED EC WAS MEMBER INVOLVED AND WAS PREPARED GIVE EC LONG LECTURE ON OWN BEEF IMPORT RESTRICTIONS ON THE SPOT. HE DEMANDED TO HAVE THE COMMITTEE DECIDE IMMEDIATELY TO LET ARGENTINA OFF WITH A "MINI-BOP."

2. COMMITTEE CHAIRMAN DUNKEL, WHO HAD WORKED HARD IN RECENT WEEKS TO MAKE ALL INVOCATIONS OF FULL BOP CONSULTATIONS ANONYMOUS IN ORDER TO AVOID PRECISELY THIS SITUATION, HAD NO CHOICE BUT TO AGREE TO ROLL CALL. LDC MEMBERS STATED THEY DID NOT WANT FULL CONSULTATION, DCS REMAINED SILENT; US, PER REFTELS, SAID WE WOULD LIKE TO HAVE FULL CONSULTATION NOT NOW BUT NEXT SPRING. ARGENTINA THEN ACCUSED US OF ATTEMPTING DIVIDE LDCS BY INVOKING FULL CONSULTATIONS ON MEMBERS WITH RELATIVELY HIGHER DEGREE DEVELOPMENT AND SAID EXISTING "MINI-BOP" PRACTICES GIVE ONE COUNTRY "VETO POWER," WHEREAS COMMITTEE SHOULD TAKE VOTE ON WHETHER IT WISHES FULL CONSULTATIONS.

3. ARGENTINA SUPPORTED BY OTHER LDC MEMBERS OF BOP COMMITTEE--ESPECIALLY URUGUAY, BRAZIL, INDIA--NOTED THAT "MINI-BOP" PROCEDURES ESTABLISHED BY GATT DOCUMENT L/3772/REV.1, JANURARY, 1973, DID NOT STATE THAT ONE SINGLE COUNTRY COULD INVOKE FULL CONSULTATION. THIS IS CORRECT. HOWEVER, CHAIRMAN DUNKEL POINTED OUT THAT IT HAD BEEN INFORMALLY UNDERSTOOD BY COMMITTEE AND WAS STANDING PRACTICE THAT FULL CONSULTATIONS FOR LDCS WERE REQUIRED ONCE EVERY TWO YEARS AS PROVIDED BY GATT ARTICLE XVIII UNLESS COMMITTEE WAS UNAIMOUS THAT "MINI-BOP" WRITTEN SUBMISSION WOULD SUFFICE.

4. ARGENTINA MAINTAINED ALSO THAT FULL BOP CONSULTATION WAS NOT NECESSARY IN THEIR CASE SINCE THEY HAD JUST SUBMITTED NEW INFORMATION TO COMMITTEE WHICH SHOULD ANSWER LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 08759 201903Z

ALL QUESTIONS ABOUT THEIR RESTRICTIONS. NOTE: NEW ARGENTINE PAPER WAS LODGED AT GATT SECRETARIAT NOVEMBER 17, I.E., THE NIGHT BEFORE THE MEETING. UNDERSTAND IT IS AVAILABLE IN SPANISH ONLY AND RUNS IN EXCESS FOURTEEN PAGES.

5. ON BASIS THIS NEW ARGENTINE SUBMISSION US ASKED FOR BRIEF POSTPONEMENT OF COMMITTEE'S DECISION ON WHETHER TO INVOKE FULL CONSULTATION UNTIL CAPITALS HAVE HAD TIME TO RECEIVE

AND READ NEW ARGENTINE PAPER. MEETING WILL TAKE PLACE FRIDAY, 5 DECEMBER RPT 5 DECEMBER. GATT SECRETARIAT EXPECTS HAVE ENGLISH TRANSLATION OF ARGENTINE PAPER ABOUT NOVEMBER 26; WE WILL AIRMAIL DIRECTLY TO WASHINGTON.

6. BRAZIL, INDIA, URUGUAY (AND WE ASSUME OTHER LDCS AGREE) HAVE STATED THEIR BELIEF THAT WRITTEN SUBMISSIONS ALONE SHOULD BE ACCEPTED BY THE GATT AS FULFILLING LDC'S BOP CONSULTING REQUIREMENT UNDER ARTICLE XVIII. THERE FORE, THERE IS NOW SOME POSSIBILITY THAT LDCS MAY RAISE THIS MATTER IN GATT COUNCIL, GROUP OF 18, CP SESSION, OR ALL OF THESE FORA WITHIN NEXT FEW DAYS.

7. CHALLENGE TO BOP COMMITTEE PROCEDURES COME AT UNFORTUNATE TIME, SINCE COMMITTEE HAD JUST EVOLVED INFORMAL PROCEDURE WHEREBY IDENTITY OF COUNTRY INVOKING FULL CONSULTATION COULD REMAIN ANONYMOUS FOR REASONS MADE OBVIOUS BY THIS ARGENTINE REACTION. ALSO, COMMITTEE'S SUCCESS IN COAXING PERU INTO FULL CONSULTATION OVER LONG SERIES OF MONTHS HAD BEEN MOST GRATIFYING; PERU CONSULTATION WHICH IS NOW WINDING UP HAD BEEN MOST SATISFACTORY. WE INFORMALLY ADVISED THAT IF THE ARGENTINE REFUSAL TO CONSULT IS SUSTAINED, KOREA, FOR WHICH WE HAVE JUST CALLED FULL CONSULTATION, WILL ALSO REFUSE TO CONSULT.

8. AMBASSADOR MARTINEZ STATED TODAY THAT EVEN IF US CALLS FOR FULL CONSULTATION AT DECEMBER 5 MEETING, ARGENTINA WILL NOT CONSULT. HE SAID THAT DUE WELL KNOWN POLITICAL DIFFICULTIES IN HIS COUNTRY, CONSULTATION WOULD NOT BE MEANINGFUL AND ARGENTINA WOULD NOT SHOW UP.

9. WE HAVE DISCUSSED THIS NEW CHALLENGE WITH ALL OTHER LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 08759 201903Z

DEVELOPED COUNTRY REPS ON BOP COMMITTEE. JAPAN STATES THEY LIKELY GET INSTRUCTIONS FROM TOKYO TO DEFEND EXISTING COMMITTEE PROCEDURES BUT, OF COURSE, NOT TO JOIN IN CALLING FULL CONSULTATION ON ARGENTINA. EC PROFESSED BE CONFUSED, PREDICTED SOME DIFFICULTY IN COORDINATING OWN POSITION BUT APPEARS AT LEAST CONCERNED BY THIS CHALLENGE. AUSTRALIA UNLIKELY TAKE DEFINITE STAND. CANADA, SWEDEN SEEKING INSTRUCTIONS FROM CAPITALS, HAVE NO IDEA WHAT RESPONSE WILL BE, BUT BELIEVE MAJOR SURGERY OF BOP COMMITTEE MAY NOW BE CALLED FOR.

10. RECOMMENDATION: URGE THAT WASHINGTON AGENCIES BE PREPARED FOR CLOSE LOOK AT NEW ARGENTINE PAPER AS SOON AS WE ARE ABLE FORWARD IT. WOULD WELCOME ASSESSMENT OF EMBASSY BUENOS AIRES ON ADVISABILITY OF US CALLING FULL

BOP, REGARDLESS OF WHAT MAY BE CONTAINED IN NEW ARGENTINE PAPER. IF, IN LIGHT OF NEW INFORMATION, US CAN LIVE WITH "MINI-BOP" ON ARGENTINA, SUGGEST WE THEN STATE AT DECEMBER 5 MEETING THE FOLLOWING. SINCE ARGENTINA HAD CONSULTATION IN LATE 1972, AND SINCE NEW ARGENTINE SUBMISSION GIVES MORE COMPLETE INFORMATION, "MINI-BOP" IS ACCEPTABLE FOR ARGENTINA. IN ADDITION, US SHOULD STATE THAT PROCEDURES ESTABLISHED BY COMMITTEE OVER LAST THREE YEARS SHOULD REMAIN IN EFFECT. IF KOREA SHOULD LATER CHALLENGE ARGENTINA'S GETTING OFF HOOK, WE WOULD NOT THAT KOREA HAS NOT HAD RECENT CONSULTATION.

11. COMMENT: THIS WOULD BUY A LITTLE TIME. ALAS, IT WOULD REWARD ARGENTINA FOR THEIR UNFORTUNATE BEHAVIOUR, BUT OF COURSE, ARGENTINA HAS REFUSED TO SHOW UP ANYWAY. CHALLENGE TO BOP PROCEDURES ON LDCS REMAIN. AS WASHINGTON WILL RECALL, "MINI-BOP" PROCEDURES ADOPTED AT END OF 1972 AND APPROVED EARLY 1973 WERE OUTGROWTH OF DIFFICULT SITUATION WHEREBY MOST LDCS REFUSED TO REPORT THEIR TRADE RESTRICTIONS TO GATT. "MINI-BOP" PROCEDURES HAVE SERVED TO INSPIRE AT LEAST SOME OF DELINQUENT COUNTRIES TO SUBMIT WRITTEN DESCRIPTION OF THEIR RESTRICTIONS AND GIVE AT LEAST SUPERFICIAL DEFENSE. OBVIOUSLY SURGERY IS NOW REQUIRED. WE URGE THAT WASHINGTON BEGIN IMMEDIATELY EXAMINING WAYS OF MAKING GATT BOP PROCEDURES MEANINGFUL FOR LDCS. IN THIS RESPECT PRE-1973 LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 GENEVA 08759 201903Z

EXPERIENCE SHOULD BE BORNE IN MIND. MISSION WILL TRY TO SUBMIT SUGGESTIONS LATER.

12. ACTION REQUESTED: INSTRUCTIONS FOR DECEMBER 5 MEETING ON ARGENTINA, IF AT ALL POSSIBLE, SHOULD ARRIVE BY DECEMBER 4 SO WE CAN CONSULT WITH OTHER DELS. IF, IN ADDITION, WASHINGTON IS BY THAT EARLY DATE ALSO ABLE TO EVOLVE SOME INDICATION OF HOW WE WILL WANT TO PROCEED ON BOP PROCEDURES ON LDCS IN GENERAL, OF COURSE, THAT WOULD BE HELPFUL. WASHINGTON MAY WISH TAKE THESE DEVELOPMENTS INTO ACCOUNT WHEN FORMULATING US POSITION FOR BOP ITEM AT G-18 MEETING ON NOVEMBER 24-25. DALE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEE MEETINGS, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975GENEVA08759
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750405-0035
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751125/aaaaawds.tel
Line Count: 213
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 268743, 75 GENEVA 8173, 75 STATE 213792
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 20 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 JUN 2003 by izenbei0>; APPROVED <04 NOV 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ARGENTINA BALKS AT GATT BOP PROCEDURES
TAGS: ETRD, AR, XX, GATT
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006